

Ben L. Odom
Senior Vice President

May 18, 1984

The Honorable Vincenti Pedro, Sr.
Governor, Pueblo of Laguna
P.O. Box 194
Laguna, New Mexico 87026

Dear Governor Pedro:

We appreciate the opportunity to get together with the Tribal Council and representatives of the Department of Interior on May 10, 1984.

Following the mine tour and our meeting at Bibo, Anaconda was requested by Dr. Garrey Carruthers, Assistant Secretary, Land and Minerals Management, Department of Interior, to extend the time for consideration of our reclamation offer to the Pueblo of Laguna from 4 June 1984 to 1 September 1984. This time extension would allow the BLM to evaluate Anaconda's groundwater studies and to complete other work which would allow BLM to evaluate the volumetrics of Anaconda's reclamation plan. At the completion of these studies, BLM would advise the Pueblo on Anaconda's reclamation plan and cash offer.

Anaconda agrees to extend the time deadline of our cash offer from 4 June 1984 to 1 September 1984, subject to the following conditions:

1. The U.S. Geological Survey/Water Resources Division (USGS/WRD) is to evaluate and comment on our data base and hydrology model used in preparation of the Green Book Reclamation Plan.
2. The evaluation of the groundwater studies will be conducted by USGS/WRD in association with BLM, Anaconda, and Dames & Moore. The review group will consist of only those groups listed above. The role of BLM, Anaconda, and Dames & Moore will be to provide explanation and background for the data base for the model results, guidance for the review process, and access to or explanation of the model mechanics.
3. Your letter of 11 May 1984 requests that your consultant, Mr. John Ward of Hydro Geo Chem, be involved in the evaluation. Mr. Ward and other individuals who have a technical interest or responsibility in this review should coordinate their activity through Mike Pool, BLM, and Meade Stirland, Anaconda.
4. The purpose of the hydrology evaluation is to determine if the Dames & Moore study reasonably represents the hydrology of the Jackpile/Paguate mine site. After evaluation by WRD, if the review group determines additional modeling runs are needed, the review

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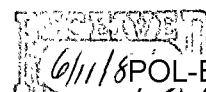
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group will decide upon the parameters to be used that can be substantiated by historic hydrologic and meteorologic data.

5. Mike Pool of the BLM and Meade Stirland of Anaconda will coordinate the activities of the review group. If Anaconda determines the direction of this technical evaluation is straying from the objective of evaluating the technical basis of the Green Book Reclamation Plan, Anaconda will terminate this agreement, and will so notify the parties.

Upon receipt of your agreement to the terms set forth in this letter by June 4, 1984, I will extend the time period for consideration of our cash offer to 1 September 1984. All other terms and conditions of Anaconda's reclamation offer to the Pueblo remain unchanged.

Sincerely,



Ben L. Odom
Senior Vice President
Operations

MS/BEM/ml

c: Mike Pool, BLM
Bill Allen, BIA